### IN THIS ISSUE

#### ANKARA CENTRE UPDATE

- Twenty-ninth Session of the Islamic Commission for Economic, Cultural and Social Affairs 1
- Thirty-fourth Session of the Permanent Finance Committee of the OIC 2

#### OIC NEWS

- Twenty-second Meeting of the Follow-up Committee of the COMCEC 3
- Fifth Meeting of the OIC Task Force on Small and Medium-size Enterprises 3
- Thirty-third Session of the Islamic Conference of Foreign Ministers 4

#### OTHER MEETINGS

- Third Symposium on Statistics for Development: Dialogue Between Users and Producers of Statistics 5
- Workshop on Capacity Building for Facilitation of Trade and Investment 5

#### UPCOMING EVENTS

7

#### LIBRARY ACQUISITIONS

7

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### UPDATE ON ANKARA CENTRE ACTIVITIES

#### GENERAL ASSEMBLY ELECTS SESRTCIC’s New BOARD MEMBERS

The Twenty-ninth Session of the Islamic Commission for Economic, Cultural and Social Affairs of the OIC was held in Jeddah, Saudi Arabia, on 9-11 May 2006 with the participation of delegates from thirty-seven member states and representatives of the OIC General Secretariat and its subsidiary, specialised and affiliated organs.

The Commission convened first in its capacity as the Joint General Assembly of the OIC subsidiary organs. As such, it reviewed the activities of the said organs during the elapsed year and considered their audited final accounts for the financial year 2004/2005 as well as their proposed budgets and work programmes for 2006/2007, as adopted by their respective Boards of Directors, and recommended their approval by the higher relevant OIC fora.

On the other hand, the Joint General Assembly elected the Republic of Cameroon, the Islamic Republic of Iran, the Republic of Azerbaijan, the Great Socialist People’s Libyan Arab Jamahiriya, the State of Qatar, the Republic of Senegal and the Republic of Tunisia as the new members of the Board of Directors of the SESRTCIC for a three-year term beginning on 1 January 2007. The Kingdom of Saudi Arabia, in its capacity as host country of the OIC General Secretariat, and the Republic of Turkey, in its capacity as host country of the Centre, are permanent members of the Board.
The Commission then took up its technical agenda whereby it reviewed and discussed, *inter alia*, the studies/reports presented by the SESRTCIC on prominent issues of utmost interest and concern to the OIC community, particularly on 1) economic developments and situation in the member countries, 2) economic problems of the least-developed and landlocked OIC countries, 3) developments in the international financial architecture, 4) international tourism in the OIC countries 5) prospects of establishing an Islamic common market, and 6) cooperation among the stock exchanges in the OIC countries.

After the deliberations, the Commission adopted a set of relevant recommendations to be presented to the Islamic Conference of Foreign Ministers. It also expressed its appreciation of the work accomplished by the SESRTCIC and encouraged it to continue with its outstanding performance.

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**PFC APPROVES SESRTCIC’s NEW BUDGET**

The Thirty-fourth Session of the Permanent Finance Committee (PFC) of the OIC convened in Jeddah, Saudi Arabia, on 15-17 May 2006 with the participation of thirty-eight member countries in addition to the General Secretariat of the OIC and its five subsidiary organs, namely SESRTCIC, ICDT, IFA, IRCICA and IUT.

At the inaugural session, H.E. the Secretary General of the OIC delivered a statement in which he outlined the role entrusted to the PFC to ensure that the financial resources made available by the member countries to the General Secretariat and the subsidiary organs are efficiently utilised on activities and programmes that uphold the objectives and priorities of the organisation and contribute to the joint Islamic action and solidarity.

The Secretary General then expressed his satisfaction with the substantial increase in the number of member countries which honour their financial obligations toward the OIC budgets as well as with the positive results achieved from the incentive measures provided by the resolution adopted on this respect by the Tenth Islamic Summit in 2003. He also underscored the encouragements offered in 2005 by the Thirty-second Islamic Conference of Foreign Ministers to the OIC staff through some important amendments on the Personnel Regulations and a long-awaited increment of their emoluments.

The Committee then reviewed the audited final accounts of the OIC General Secretariat and the subsidiary organs for the financial year 2004/2005 and endorsed their proposed budgets for the financial year 2006/2007 with varying rates of increase. The budget of the SESRTCIC has been approved at US$ 2,250,000, with an increase of US$ 250,000 over that of the previous years.

The Committee also endorsed various amendments to the OIC Financial Regulations and adopted a new scale of Member States’ contributions to the budgets of the General Secretariat and the subsidiary organs and exhorted the member countries to settle their outstanding arrears and promptly pay their annual contributions to those budgets.
OIC NEWS

SESRTCIC TO EXPLORE A MORE EFFICIENT MECHANISM FOR THE EXCHANGE OF VIEWS AMONG COMCEC DELEGATES

The Twenty-second Meeting of the Follow-up Committee of the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC) convened in Izmir, Turkey, on 23-25 May 2006 with the participation of the nine member countries of the Committee (Indonesia, Kuwait, Nigeria, Pakistan, Palestine, Qatar, Saudi Arabia, Sierra Leone and Turkey), the OIC General Secretariat and the concerned subsidiary, affiliated and specialised organs (SESRTCIC, ICDT, ICCI and IDB). Syria and Bangladesh also attended the Meeting as observers.

The Committee deliberated on the background report of the OIC General Secretariat on the activities undertaken by the OIC organs and member countries towards putting into effect the various resolutions of the COMCEC. It also reviewed the progress made in the implementation of the different chapters of the OIC Plan of Action and the OIC Ten-year Programme of Action and discussed the reports presented by the concerned OIC organs on various matters related to the promotion of economic and commercial cooperation among the member countries, particularly with respect to the developments related to the Trade Preferential System among the OIC Member Countries (TPSOIC) and the OIC Protocol on Preferential Tariff Scheme (PRETAS).

On the sidelines of the Meeting, the Syrian Arab Republic signed this latter protocol and became the sixth signatory member with Egypt, Jordan, Malaysia, Tunisia and Turkey. Under the same agenda item, the Committee requested the SESRTCIC and ICDT to review and evaluate the existing OIC economic and commercial agreements and statutes and present their opinions and proposals thereon to the forthcoming session of the COMCEC.

On the other hand, the Committee finalised the draft agenda of the Twenty-second Session of the COMCEC, scheduled for 21-24 November 2006 in Istanbul, and put forward a number of alternative themes for the exchange of views to be held among the member countries’ delegates during the future sessions of the COMCEC. In this respect, it entrusted the SESRTCIC with the task of exploring a more efficient and result-oriented mechanism for that exchange of views, initiated at the Tenth Session of the COMCEC in 1995, and submit its proposals thereon to the forthcoming session in November 2006.

SMEs: AN EFFICIENT TOOL FOR SOCIO-ECONOMIC DEVELOPMENT

Considering the significant role played by small and medium size enterprises (SMEs) in the overall socio-economic development of the OIC member countries, the 27th Session of the Islamic Conference of Foreign Ministers, held in Malaysia in 2000, endorsed a resolution to set up a Task Force on SMEs with the membership...
of the General Secretariat of the Organization of the Islamic Conference (OIC), the Islamic Development Bank (IDB), the Islamic Centre for Development of Trade (ICDT), the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), the Islamic University of Technology (IUT), the Islamic Chamber of Commerce and Industry (ICCI) and selected national chambers of commerce and SMEs development agencies in the OIC Countries.

The objectives of the Task Force are to devise the support programmes and establish the institutional framework that would create a favourable socio-economic environment for the development and growth of SMEs in the OIC countries, and to open dialogue among the members of the Task Force on the challenges and opportunities for SMEs in the OIC Countries and propose concrete and feasible initiatives for enhancing their performance.

The Task Force held its fifth meeting in Istanbul on 5-7 June 2006 with the participation of 24 OIC member countries, one observer country (Thailand) and two non-member countries (Denmark and United Kingdom). The Arab Centre for Human Resources Development (ACHRD) and the UNDP Special Unit for South-South Cooperation also attended the meeting.

The participants discussed 19 thematic papers and 17 country papers on various aspects related to the challenges facing SMEs and the opportunities available to them in the OIC member countries and adopted a set of recommendations aimed at facilitating the creation of an enabling environment for their development and encouraging the establishment of a new generation of technology-oriented and knowledge-intensive SMEs in those countries. The said recommendations will be presented for consideration and appropriate action to the Twenty-second Session of the COMCEC in November 2006.

The participants welcomed the offer by the Egyptian Social Fund for Development to host the 6th meeting of the Task Force in Cairo in 2007.


The Ministers addressed a large number of issues including in particular the situation in the occupied Palestinian territories and the Arab-Israeli conflict, the recent developments in Iraq, Somalia, Afghanistan and Sudan, the peace process between India and Pakistan, combating terrorism, the rights of Muslim minorities in non-Islamic countries, the coordination between member States in the field of human rights and the international Islamic court of justice.

The agenda of the Conference also included a wide range of issues of particular importance to the Islamic Ummah, especially with regard to the reform of the United Nations, the expansion of the Security Council and the representation of the Islamic world therein, combating the insidious campaign against Islam and Muslims in various Western...
media and the inalienable right of all Member States to develop research, production and use of atomic energy for peaceful purposes.

The Conference dedicated a considerable part of its proceedings to economic issues where the ministers focused notably on the economic situation in the member countries and the specific problems faced by the landlocked and least-developed members, the promotion of the multilateral trade system, the establishment of an Islamic common market and the economic assistance to some member countries stricken by drought and natural disasters, and capacity building to reduce poverty.

The Conference reviewed the Framework of Implementation of the OIC Ten-year Programme of Action adopted in December 2005 by the Third Extraordinary Islamic Summit in Makka Al Mukarramah and exhorted all member countries to provide their political, moral and material support to the implementation of the various chapters of the Plan. It commended the efforts made to that end by all OIC institutions and expressed gratitude to the Custodian of the Two Holy Shrines for the donation of 1 billion US$ to the fund to fight poverty established by the Plan of Action.

The Conference reviewed the activities of the OIC subsidiary, specialised and affiliated organs and elected Algeria, Azerbaijan, Iran, Kuwait, Mali, Mozambique, Pakistan, Saudi Arabia, Senegal and Yemen as members of the OIC Finance Control Organ for a three-year term.

The Conference adopted the Baku Declaration and a Final Communique and welcomed the offer by the Islamic Republic of Pakistan to host the next session at a date to be determined in due course.

**OTHER MEETINGS**

**SESRTCIC ADHERES TO UN PRINCIPLES GOVERNING INTERNATIONAL STATISTICAL ACTIVITIES**

The Planning Council of the State of Qatar, in collaboration with the UN Economic and Social Commission for Western Asia (ESCWA), organized in Doha, Qatar, on 5-7 June 2006 the “Third Symposium on Statistics for Development: Dialogue between Users and Producers of Statistics”.

The Symposium was attended by high statistical authorities and resource persons at both country and international levels who discussed several papers and exchanged views on current pertinent issues such as the emerging trends in data dissemination, the national strategies for development of statistics in Arab countries and the necessity of strengthening links between statistics and policymaking. The Director General of the SERSTCIC, Dr. Savaş Alpay, made a presentation in which he explained the multifaceted activities undertaken by the Centre as the main statistical and socio-economic research organ of the OIC. He also availed himself of the opportunity to hold bilateral contacts with, among others, the director of the UN Statistical Division and the directors of the statistical departments in Qatar and Malaysia with whom he explored the opportunities of furthering cooperation.
between their institutions and the SESRTCIC on specific projects of particular relevance to the OIC member countries such as improving statistical capacity for the achievement of the Millennium Development Goals.

In concrete terms, the said contacts were instrumental in sketching a technical cooperation project between the SESRTCIC, the Statistics Department in Qatar and the Turkish Statistical Institute on statistical projections and forecasting. They also paved the way for the formal adherence by the SESRTCIC to the UN Principles governing international statistical activities, that were elaborated by the UN Committee for Coordination of Statistical Activities (CCSA) in its Sixth Meeting, held in Rome in September 2005, as well as to the application of the Centre to the membership of that Committee.

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**OIC CAPACITY BUILDING FOR FACILITATION OF TRADE AND INVESTMENT**

The 21st Session of the COMCEC, held in November 2005, decided that the exchange of views between the delegates during its 22nd Session be on “Capacity Building for Facilitation of Trade and Investment”. In anticipation, it requested the Islamic Development Bank (IDB) to organize a workshop on this theme and present its conclusions and recommendations to serve as a background and reference material for the exchange of views.

The Workshop was held at the IDB Headquarters in Jeddah, Kingdom of Saudi Arabia, on 26-28 June 2006 with the participation of representatives from 20 member countries, the OIC General Secretariat and its concerned institutions, namely COMCEC, ICDT, SESRTCIC, ICCI and IUT. Representatives of the World Trade Organisation (WTO), UNCTAD, UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) of the UN Economic Commission for Europe (UN/ECE) and the World Customs Organisation (WCO) also participated in the Workshop as key speakers.

The participants discussed several papers on various dimensions and concepts of capacity building for enhancing trade and investment and on the experiences of some member countries and institutions in this field. The paper contributed by the SESRTCIC, titled “Promoting Trade and Investment in the OIC Countries: The Role of Capacity Building”, assessed the recent performance of trade and investment in the OIC countries and highlighted the role of capacity building in overcoming the obstacles that still hinder the efforts of those countries to increase their trade and investment levels at both national and intra-OIC levels. It also proposed a set of recommendations that could serve as broad policy guidelines to which the attention of the member countries needs to be drawn.

After the general debate, the participants formulated a set of recommendations aiming at developing the appropriate institutional, human, financial and infrastructural requirements for effective and efficient capacity building for the facilitation of trade and investment in the OIC member countries and agreed to submit them to the 22nd Session of the COMCEC for consideration by the delegates of the member countries during the Exchange of Views Session.
CENTRE’S AGENDA FOR THE THIRD QUARTER OF 2006

JULY

Preparatory Meeting for the Fifth Islamic Conference of Tourism Ministers, 4-6 July 2006, Baku, Azerbaijan.

12th Session of the OIC-UN General Coordination Meeting, 10-13 July 2006, Rabat, Morocco.

World Leaders Summit, 11 July 2006, Washington, DC, USA.

SEPTEMBER

Thirteenth World Conference on Tobacco or Health, 12-15 July 2006, Washington, DC, USA.

5th Islamic Conference of Tourism Ministers, 9-12 September 2006, Baku, Azerbaijan.


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OIC MEMBER COUNTRY SOURCES

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**TURKEY**


**WORLD BANK SOURCES**


**WORLD BANK POLICY RESEARCH WORKING PAPERS (PRWP)**

January 2006

PRWP; 3804/Agénor, P.R. *et all* (Jan.). *Disinflation, fiscal sustainability, and labor market adjustment in Turkey*.

PRWP; 3808/Hurlin, C. (Jan.). *Network effects of the productivity of infrastructure in developing countries*.